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26 February 1957

MEMORANDUM

TO : Chief, FE Support Base, [REDACTED]
FROM : [REDACTED]
SUBJECT: Financial Property Accounting Procedure

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1. Purpose of Visit

As part of the Headquarters program to simplify financial property accounting procedures, visits are being made to each station or base maintaining such procedures for the purpose of studying the procedures and operations in order to identify problem areas and areas in which further simplifications can be made.

2. Background and Purposes of Financial Property Accounting Procedure

Same as Tab A.

3. Headquarters Action to Simplify Procedures

Same as Tab A.

4. Findings and Accomplishments

- a. It was found that the [REDACTED] has currently recorded property documents on the financial property accounting (FPA) records and has submitted to Headquarters monthly reports required by the FPA procedures. The Base, however, has not reconciled the Accountable Officer's records representing property on hand with the FPA accounts since 30 June 1956. In this connection the Logistics Office has provided the Finance Office with monthly adding machine listings of the net changes in each material group of property on hand but the Finance Office has not identified the areas of difference between the FPA accounts and such listings in order to provide a basis for initiating joint action to accomplish reconciliation. Also, no work has yet been done at this Base to

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reconcile the Accountable Officer's records representing property in use with the FPA accounts since 1 April 1956, the date the FPA procedure was established at the Base. In addition, although [REDACTED] billings for the months of July through December 1956 have been certified for payment, the accounts payable for such amounts recorded on FPA records have not been cleared and necessary adjustments have not been made for the differences between the actual billed cost and the value at which such material is carried on FPA records (i.e., fixed unit prices). A similar situation exists with respect to adjusting FPA records for local cash procurements.

- b. The situation described in the foregoing paragraph is attributable in part to the intentional emphasis given by the FE Area Comptroller to providing assistance to the FPA installations at other locations in the area with the view that assistance could be given at a later date to the [REDACTED] FPA installation. The FE Area Comptroller discussed this matter with the Base Finance Officer and agreement was reached on a definite program aimed at completing reconciliations and other necessary adjustments. In addition, it is understood that [REDACTED] will be assigned to assist the Base Finance and Logistics Office personnel in accomplishing reconciliations and other adjustments. [REDACTED] is expected to return from his present TDY assignment at the [REDACTED] Base about 15 March.
- c. The writer and [REDACTED] developed a procedure for clearing Property in Transit accounts for amounts remaining therein at the effective date of their discontinuance as authorized in the revised FPA procedures. Listings of transaction documents for which acknowledgement had not been received were taken to other bases visited to expedite transmission of receipted copies of shipping documents from receiving locations to shipping locations throughout the FE area.
- d. Discussions were held with Base personnel of both the Logistics and the Finance Offices relative to the revised FPA procedures for the purpose of assuring a proper understanding of the simplifications authorized by Headquarters. Based upon visits to this Base and other locations in the area, the writer and [REDACTED] developed further revisions in the [REDACTED] relating to FPA [REDACTED]. Upon return to this Base, a meeting was held to discuss these changes with representatives of the Base Logistics and Finance Offices. At that meeting the revisions in pricing and in the classification of property between expendable and non-expendable, as covered in Supply Catalog Change Bulletin No. 6, effective 1 February 1957, were also discussed. A cable was forwarded to Headquarters recommending the use of local acquisition costs in establishing fixed unit prices on property

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acquired locally rather than following the procedure prescribed in Supply Catalog Change Bulletin No. 6.

5. General

The cooperation of the Base personnel in assisting in this mission is appreciated. All personnel contacted were very helpful in providing necessary information and recommending changes to improve the FPA procedures.

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